



## Release Highlights: June 5, 2008

### MONTANA

As gloom and doom news from the housing crisis spreads throughout the nation, Montana continues to buck the trend. With an annual growth rate of 3.5% in 2007 the Big Sky state ranked 6<sup>th</sup> in the nation for the fastest increase in real\* Gross Domestic Product (GDP). Montana was one of only 12 states that experienced a higher GDP growth rate in 2007 when compared to 2006.

Leading the way in growth was the Mining sector, accounting for over a third of the 3.5% growth rate. The ever-escalating price for oil is a double-edged sword for the Treasure State. On the one hand, oil and gas production taxes have risen 112% between 2004 and 2007. On the other hand, with the 4<sup>th</sup> largest land mass in the nation, Montanans' consumption of gasoline on a per capita basis is one of the highest in the country.

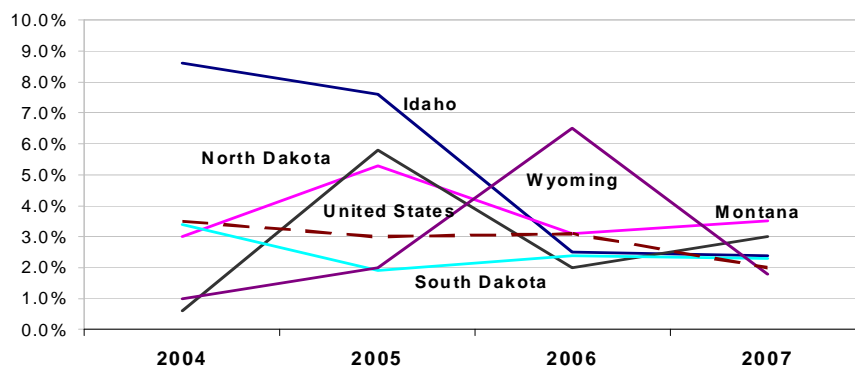
Higher commodity prices, such as \$900-an-ounce gold, are also contributing to Montana's GDP growth. In fact, Montana's Mining sector experienced the highest increase of all states, even more than coal-rich Wyoming.

Soaring gasoline prices doesn't appear to be dampening tourist visits to the state. Arts, Entertainment and Recreation and Accommodations and Food Services industrial sectors, both heavily dependent on tourism, all increased in 2007, even faster than the national averages.

The housing crisis is being felt in Montana, just not as severely as in other states. Construction's contribution to Montana's GDP fell by .25 percentage points, less than half the nation's fall of 0.58. Agriculture and Forestry, Finance and Real Estate sectors are also down, but, again, not as deeply as the nation's.

Montana's neighbors, except for North Dakota, are experiencing slowing GDP growth. Their percentage changes in GDP for the years 2004 to 2007 are shown in the chart below.

**GDP GROWTH RATES  
2004 - 2007**



The [Bureau of Economic Analysis](#) releases Gross National Product by State on a quarterly and annual basis. \*Real GDP is an inflation-adjusted measure of each state's production.

### CONTACT

[Susan Ockert](#)  
[Senior Research Economist](#)

Census and Economic  
Information Center  
Montana Department  
of Commerce  
301 S. Park Avenue  
P.O. Box 200505  
Helena, MT 59620  
406.841.2740 Office  
406.841.2702 TDD  
<http://ceic.mt.gov/>

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